

## **MEPA USE POLICY**

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In order to establish consistent and clear guidelines for Homebuyer use of the MEPA Account Funds the following policy has been approved by the Board of Commissioners. NCIHA hereby establishes the following guidelines for use of Homebuyers Mutual Help Monthly Equity Payment Account (MEPA).

Allowable use of MEPA shall be classified into **5** major categories:

- ❖ Corrective Maintenance Work
- ❖ Betterments and Additions
- ❖ Utilities Assistance
- ❖ Administration Charge Assistance
- ❖ Additional Insurance Coverages

### **Corrective Maintenance Work**

If NCIHA determines that the condition of the property creates a hazard to the life, health, or safety of the occupants, or if there is a risk of damage to the property if the condition is not corrected, the corrective maintenance work may be done by NCIHA with such use of the Monthly Equity Payment Account (MEPA). The homebuyer shall be informed of this determination and must submit the required MEPA Use Request form for repair work to be performed.

### **Betterments and Additions**

If the homebuyer is in compliance with the terms of the MHOA, Northern Circle may agree to allow the homebuyer to use the funds in the MEPA for betterments and additions to the Mutual Help Home.

Betterments and Additions are those items that will increase the value and enhance the quality of the home.

Items included in this category are:

**Home furnishings:** Includes furniture that may be used in the home and draperies including hardware (traverse rod, curtain rods, etc.). Home furnishings specifically excludes patio furniture, bedding, pillows, throw blankets, etc.

**Appliance Replacements:** All major appliances are eligible for replacement including microwave ovens. Small appliances such as toasters, blenders, mixers, foodprocessors, etc. are not eligible.

**Landscaping:** This category includes all materials & equipment required for landscaping such as lawn mowers, rototillers, tools used in lawn care, trees, shrubs, flowers, lawn seed, sod, fertilizer, planters, etc. and any equipment used in the care of the landscaping. Heavy equipment such as backhoe, trencher, caterpillar, etc are not eligible for homebuyer purchase, but equipment rental charges are eligible expenses.

Labor for yard maintenance and landscaping will be limited to \$300.00 per month or \$3,600.00 per year.

Landscaping vendor contracts will be considered on a case by case basis as these contracts may include a labor charge that exceeds the limit set forth above.

Items excluded from Betterments and Additions are:

**Home Entertainment** including but not limited to Televisions, stereos, Satellite devices, Televisions, Cable T.V. service and Video Cassette Recorders (VCR).

**Multimedia Devices** including but not limited to Personal Computers (PC), Facsimile Machines (FAX), and cellular phones.

**Recreation/Transportation** including but not limited to automobiles, bicycles, exercise equipment, motorcycles and all terrain vehicles (ATV).

### **Utilities Assistance**

Utility Payments are specifically the responsibility of the Homebuyer in accordance with the Mutual Help and Occupancy Agreement. However, if the homebuyer is unable to pay for the utilities of the home because of financial hardship Northern Circle may pay for the utilities from the MEPA Account at the request of the homebuyer. Evidence of the Homebuyers inability to pay for electricity must be demonstrated by submitting a 15-day notice from PG&E.

If the homebuyer is unable to pay other utilities, the request must be documented in a written statement explaining their inability to pay and a request to pay from the MEPA Account.

Utilities Assistance may include the following utilities:

electricity      water              sewer charges      heating fuel

Homebuyers may only pay delinquent utility bills for the same utility account from their MEPA Account 1 time in a 6-month period.

### **Administration Charge Assistance**

Should the homebuyer fail to pay the required monthly payment Northern Circle may reduce the MEPA by the amount owed each month toward the administration charge at the Homebuyers request. The homebuyer must submit the required MEPA Use Request Form to pay the administration charge and the MEPA balance shall be comprised of an amount backed by cash actually received in order for any such reduction to be made. The Homebuyer shall be informed that they remain responsible for paying any delinquent amount that exceeds the

administration charge and will remain in the collections process until the amount is paid in full.

If a homebuyer owing less than \$100.00 is in the collections process and fails to make the required payment, NCIHA will automatically collect the amount in full from their MEPA Account. The MEPA Account will be reduced by the amount necessary to bring the homebuyer's account to a zero balance. NCIHA will only collect for debts that do not exceed \$100.00. The will homebuyer be notified in writing of the transaction.

### **Additional Insurance Coverages**

Homebuyers may utilize their MEPA account to purchase additional homebuyers insurance coverage. This may include Personal Property, Emergency Living Expense and Personal Liability Insurance. All coverages must be for purposes of insuring the NCIHA dwelling unit and personal property of the homebuyer.

### **MEPA Use Request Approval**

All MEPA Use Requests must be submitted to Northern Circle in writing on the MEPA Use Request form or other written statement. Requests should be signed by the Homebuyer authorizing Northern Circle to deduct the amount requested from the equity account.

Requests will be reviewed by the Management Staff and Approved by the Executive Director.



## Processing MEPA Use Requests

All requests will be submitted to Northern Circle using the MEPA Use Request Form. Each request will be reviewed by NCIHA staff and presented to the Board of Commissioners with recommendations for approval or disapproval. Each Homebuyers *individual circumstances* will be considered when reviewing requests.

Whenever possible NCIHA will pay directly to vendors, service providers or contractors.

## Eligibility

To be eligible for MEPA use the homebuyer must meet the following criteria:

- must have a balance on account exceeding the amount requested.
- must have a history of timely homebuyer payments.
- must not have any outstanding balances for homebuyer payments or other financial obligations with NCIHA.
- must be a participant in the Mutual Help Program for a period of one (1) year prior to request for use.

## **MEPA USE STANDARDS**

The following standards for MEPA use are established by the Board of Commissioners and provided for staff use when reviewing MEPA use requests and processing MEPA work items.

1. In all cases vendors/material suppliers will be paid directly.
2. Labor costs approved by the Board of Commissioners can be partially paid in advance; preferably 10%, but no more than 50% of total labor costs.
3. Luxury items as referenced in CFR905.428 are defined by NCIHA as the following:
  - swimming pools
  - barbecue pits
  - new skylights
  - atriums
  - garbage disposals
  - trash compactors
  - saunas, whirlpools, hot tubs (except as stated in the MEPA Use Policy)
  - new balconies
  - ramadas
  - dishwashers
  - carpeting (except at existing locations)
  - wall paper

## MEPA USE INFORMATION

### GUIDELINES ESTABLISHED BY THE FEDERAL REGULATIONS:

1. If the housing authority determines that the condition of the property creates a hazard to the life, health, or safety of the occupants, or if there is a risk of damage to the property if the condition is not corrected, the corrective work **shall** be done promptly by the IHA with such use of the MEPA as the IHA may determine to be necessary, or by the homebuyer with a charge of the cost to the Homebuyers MEPA.
2. If the housing authority determines that the homebuyer is unable to pay for the utilities of the home the IHA **may** pay for the utilities on behalf of the homebuyer and charge the Homebuyers MEPA.
3. Should the homebuyer fail to pay the required monthly payment, the IHA **may elect** to reduce the MEPA by the amount owed each month towards the administration charge, until the MEPA has been fully expended. The MEPA balance shall be comprised of an amount backed by cash actually received in order for any such reduction to be made.
4. If the homebuyer is in compliance with the terms of the MHOA, the IHA may agree to allow the homebuyer to use the funds in the MEPA for betterments and additions to the MH home. The IHA shall determine whether the homebuyer will be required to replenish the MEPA or if the funds are to be loaned at an interest rate determined by the IHA.
5. The homebuyer **cannot** use MEPA funds for luxury items, as determined by the IH

## MEPA Use Policy Revisions

In July the Board of Commissioners approved revisions to the MEPA Use Policy that considerably expand the use of the MEPA Account for homebuyers.

Allowable use of MEPA has been classified into four major categories:

- ❖ Corrective Maintenance Work
- ❖ Betterments and Additions
- ❖ Utilities Assistance
- ❖ Administration Charge Assistance

Another important change made is that MEPA Requests may be approved by the Executive Director.

Any questions about MEPA Balance may be directed to the Management Officer and all MEPA Use requests are still submitted to the Management Officer for review.

Items specifically excluded from MEPA Use are as follows:

- Home Entertainment
- Multimedia Devices
- Recreation/Transportation

If you have any questions about the MEPA Use Policy or would like to receive a copy of the Policy please contact Julia Russ, Management Officer.